

GLOSSARY OF TERMS USED IN THE CITY OF YONKERS BUDGET

Appropriation

An authorization made by the City Council which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts for a one year period.

Assessed Valuation

The estimated value placed upon real and personal property as the basis for levying property taxes.

Authorized Positions

Council-approved positions, assumed to be fully funded, unless otherwise stated.

Base Year

The last prior year for which actual annual expenditures are known for each organization. For the FY 2011 Budget, the base year is the actual expenditure for FY 2009.

Bond

A written promise to pay a specified sum of money (principal or face value) at a specified future date (maturity date) along with periodic interest paid at a specified per cent of principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Bond Refinancing

The pay-off and reissuance of bonds to obtain more favorable interest rates and/or bond conditions.

Budget Amendment

A formal action by the City Council to adjust the budget after adoption. The purpose of a budget amendment are usually to transfer funds from one operating account to another account. All councilmanic transfers must be approved by the New York State Comptroller.

Budget Organization

The organizational unit of budgetary classification to which appropriations are made, may encompass an entire department (i.e., 1250 - Mayor) or one major function of a department (i.e., 3120 - Police).

Capital Budget

A plan of proposed capital expenditures and the means of financing them for the fiscal year.

Constitutional Limit

The maximum rate at which the city may levy the property tax. By New York State Law, Yonkers' tax limit is 2% of the average of the full valuation of assessable property for the past five years.

GLOSSARY (cont.)

Contractual Expenses - 0400's

Items of operating expense for services the City receives from an outside vendor. Example: utilities, rent, maintenance service agreements.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenses not otherwise budgeted.

Debt Limit

The maximum rate at which the city may incur debt.

Debt Service

Payment of interest and repayment of principal to holders of the city's debt instruments (e.g., bonds, BAN's and capital notes).

Encumbrance

Obligations in the form of purchase orders or contract commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Expenditures

The cost of goods received or services rendered when those liabilities are incurred, whether cash payment has been made or not.

Fiscal Year

The twelve month period from July 1st through June 30th.

FY 2010 Current

The City Budget for the current year as amended as of June 30, 2010.

Fringe Benefits

Direct expenditures associated with employee compensation which are undistributed to each element's budget. These include retirement, social security, worker's compensation, life/health/dental insurance.

Employee benefits costs which are instead allocated to each element include longevity, night differential, and uniform allowance.

Full Valuation

An estimate of the actual market value of assessable property within the city which is calculated by applying a state-designated Special Ratio to the assessed value of property. The Special Ratio is used to adjust for varying assessment practices state-wide.

GLOSSARY (cont.)

Fund

A set of inter-related accounts to record revenue and expenses associated with a specific purpose. (i.e., General Fund, Water Fund, Sewer Fund.)

General Fund

The fund supported by revenues such as property taxes which are not designated by law for a special purpose.

Line Item

A specific item defined by detail in a unique account in the financial system. (i.e., 0101 Salaries.) Expenditure requests are reviewed and approved at this most basic level for each budget organization.

Longevity

A percentage increase to base salary that becomes effective after a certain number of years of service. The specific circumstances differ by union; i.e., PBA - 3% after 9 years, 6% after 14 years and 9% after 18 years.

Objects of Expense

Expenditure classifications based upon the types of categories of goods and services purchased:

- 0100's - personal services
- 0200's - capital outlays
- 0300's - supplies
- 0400's - services

Operating Budget

The annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

Operating Capital - 0200's

Construction of capital assets, or purchase of equipment with an expected useful life of multiple years, for which borrowing is not utilized. These operating funds are raised above the 2% Constitutional Tax Limit.

Ordinance

A formal legislative enactment by the City Council having the full force and effect of the law.

Personal Services - 0100's

Items of expenses in the operating budget for salaries and wages and for incidental fringe benefit costs associated with city full-time and part-time employment.

Property Tax Levy

The total amount of property tax to be assessed on taxpayers, regardless of whether they are actually collected.

GLOSSARY (cont.)

Property Tax Rate

The rate used to determine the property tax bill of individual taxpayers. The rate is expressed as a dollar amount to be charged for each \$1,000 of assessed property value.

Resolution

An order of the City Council requiring less legal formality than an Ordinance.

Serial Bonds

A long-term borrowing instrument which requires a series of payments to be made over a multi-year period. The payments made include principal installments and interest expense.

Supplies - 0300's

Items of expense in the Operating Budget which, after use, are consumed or show a material change in their physical condition, and which are generally of limited value and rapidly depreciate. Example: office supplies, motor fuels.

Transfers

Movements of appropriations within a budget organization, from one organization to another, or from one fund to another. Transfers between objects of expense or organization need City Council and New York State Comptroller approval.

User Fees

The payment of a charge for direct receipt of a public service by a party benefiting from that service.